

EXHIBIT 1

INTRODUCTION

Respondent Susan M. Goldbeck (“Goldbeck”) was an unsuccessful candidate for Monterey County Board of Supervisors in the March 2, 2004, election. Committee to Elect Susan Goldbeck (“Committee”) was Respondent Goldbeck’s controlled committee. Respondent Gayle G. Hall (“Hall”) served as Respondent Committee’s treasurer at all times relevant to this matter.

Under the authority of the Political Reform Act (the “Act”),¹ the Franchise Tax Board (“FTB”) audited Respondent Committee’s activities during the period January 1, 2003, through June 30, 2004. FTB audit results showed Respondent Committee received contributions totaling approximately \$39,843 (\$27,824 monetary and \$12,019 nonmonetary) and made expenditures totaling approximately \$24,300.

In this matter, Respondents failed to disclose the receipt of approximately \$1,639 in contributions.

For the purposes of this stipulation, Respondents’ violation of the Act is stated as follows:

COUNT 1: Respondents Susan M. Goldbeck, Committee to Elect Susan Goldbeck, and Gayle G. Hall failed to disclose any monetary contributions received on a semi-annual campaign statement for the reporting period from February 15, 2004, through June 30, 2004, filed on August 2, 2004, in violation of Section 84211, subdivisions (a), (c), (d), and (f) of the Government Code.

SUMMARY OF THE LAW

An express purpose of the Act, as set forth in Section 81002, subdivision (a), is to ensure that contributions and expenditures in election campaigns are fully and truthfully disclosed, so that voters may be fully informed, and improper practices may be inhibited. The Act therefore establishes a campaign reporting system designed to accomplish this purpose of disclosure.

Duty to Disclose and Itemize Contributions Received

Section 84211, subdivision (a) requires a committee to disclose in each of its campaign statements the total amount of contributions received during the period covered by the campaign statement and the total cumulative amount of contributions received. A “contribution” includes any payment made for political purposes for which full and adequate consideration is not made

¹ The Political Reform Act is contained in Government Code Sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in Sections 18110 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

to the donor. (Section 82015; Regulation 18215.) A contribution can be monetary or non-monetary.

A monetary contribution is “received” on the date the committee, or the agent of the committee, obtains possession or control of the check or other negotiable instrument by which the contribution is made. (Regulation 18421.1, subd. (c).) All contributions received by a committee are required to be reported to, and disclosed by, the committee’s treasurer no later than the closing date of the next campaign statement the committee is required to file. (Regulation 18421.1, subd. (c).) The total amount of contributions received during the period covered by the campaign statement must be disclosed from persons who have given a cumulative amount of one hundred dollars (\$100) or more (Section 84211, subd. (c)), and from those persons who have given a cumulative amount of less than one hundred dollars (\$100) (Section 84211, subd. (d)). Generally, “cumulative amount” means the amount of contributions received or expenditures made in the calendar year. (Section 82018, subd. (a).)

Section 84211, subdivision (f) requires a committee to report in each of its campaign statements the following information about a person if the cumulative amount of contributions received from that person is one hundred dollars (\$100) or more and a contribution has been received from that person during the reporting period covered by the campaign statement: (1) the contributor’s full name; (2) the contributor’s street address; (3) the contributor’s occupation; (4) the name of the contributor’s employer, or if self-employed, the name of the contributor’s business; (5) the date and amount of each contribution received from the contributor during the reporting period; and (6) the cumulative amount of contributions received from the contributor.

Treasurer Liability

As provided in Section 84100, every committee shall have a treasurer. Under Section 81004, subdivision (b), Section 84100, and Regulation 18427, subdivision (a), it is the duty of a committee’s treasurer to ensure that the committee complies with all of the requirements of the Act concerning the receipt and expenditure of funds, and the reporting of such funds. A committee’s treasurer may be held jointly and severally liable, along with the committee, for reporting violations committed by the committee. (Sections 83116.5 and 91006.)

STATEMENT OF THE FACTS

Respondent Goldbeck was a member of the City of Pacific Grove City Council when she ran unsuccessfully for the Monterey County Board of Supervisors in the March 2, 2004 election. Respondent Committee was Respondent Goldbeck’s controlled committee. Respondent Hall was Respondent Committee’s treasurer at all relevant times.

COUNT 1
Failure to Disclose Contributions Received

Respondents Goldbeck, Committee, and Hall had a duty to disclose all contributions received by Respondents on a campaign statement for the campaign reporting period in which they were received.²

According to Respondent Committee's bank records, Respondents deposited eight contributions totaling approximately \$1,639 into Respondent Committee's bank account on or about and between February 17, 2004, and February 25, 2004. This was 100 percent of the contributions Respondents received during the campaign reporting period from February 15, 2004, through June 30, 2004. However, none of these contributions were disclosed on the campaign statement for the reporting period. More specifically, according to records obtained from the Registrar of Voters of Monterey County, the post-election semi-annual campaign statement for the reporting period from February 15, 2004, through June 30, 2004, filed on August 2, 2004, reveals that Respondents did not disclose the three contributions of less than \$100 totaling \$174 in a lump sum, nor did they itemize the five contributions of \$100 or more totaling \$1,465, as set forth in the table below.

Date of Deposit	Contributor	Amount of Contribution
02/17/2004	Jon and Abby Levy	\$ 500
02/17/2004	Bryan Callas	\$ 100
02/17/2004	Susan M. Goldbeck	\$ 140
02/23/2004	Law Offices of Susan M. Goldbeck	\$ 225
02/25/04	Law Offices of Susan M. Goldbeck	\$ 500

By failing to disclose contributions totaling \$1,639 in a semi-annual campaign statement for the reporting period from February 15, 2004, through June 30, 2004, and failing to itemize contributions of \$100 or more, Respondents violated Section 84211, subdivisions (a), (c), (d), and (f).

CONCLUSION

This matter consists of one count of violating the Act, which carries a maximum administrative penalty of \$5,000.

² Contributions of \$100 or more are required to be itemized on a campaign statement. (Section 84200, subd. (f).) Contributions of less than \$100 are required to be added together and disclosed as a lump sum on the campaign statement. (Section 84211, subd. (d).)

In determining the appropriate penalty for a particular violation of the Act, the Commission considers the typical treatment of a violation in the overall statutory scheme of the Act, with an emphasis on serving the purposes and intent of the Act.

The administrative penalty that has typically been imposed by the Commission for failure to report contributions has varied depending on the circumstances. One of the primary purposes of the Act is to ensure that the public is provided with complete and accurate information regarding who funded a candidate's campaign. Here, Respondents failed to disclose any of their monetary contributions received during the post election semi-annual reporting period. This deprived the public of information regarding how Respondent Goldbeck's campaign was financed. While there is evidence that Respondent Committee's records related to those deposits may have been destroyed when Respondent Goldbeck's house was vandalized in June 2004, because the bank records could have been obtained she could have, but failed to, reconstruct the transactions and make the required disclosures.

The facts of this case justify imposition of the agreed upon penalty of Two Thousand Five Hundred Dollars (\$2,500).